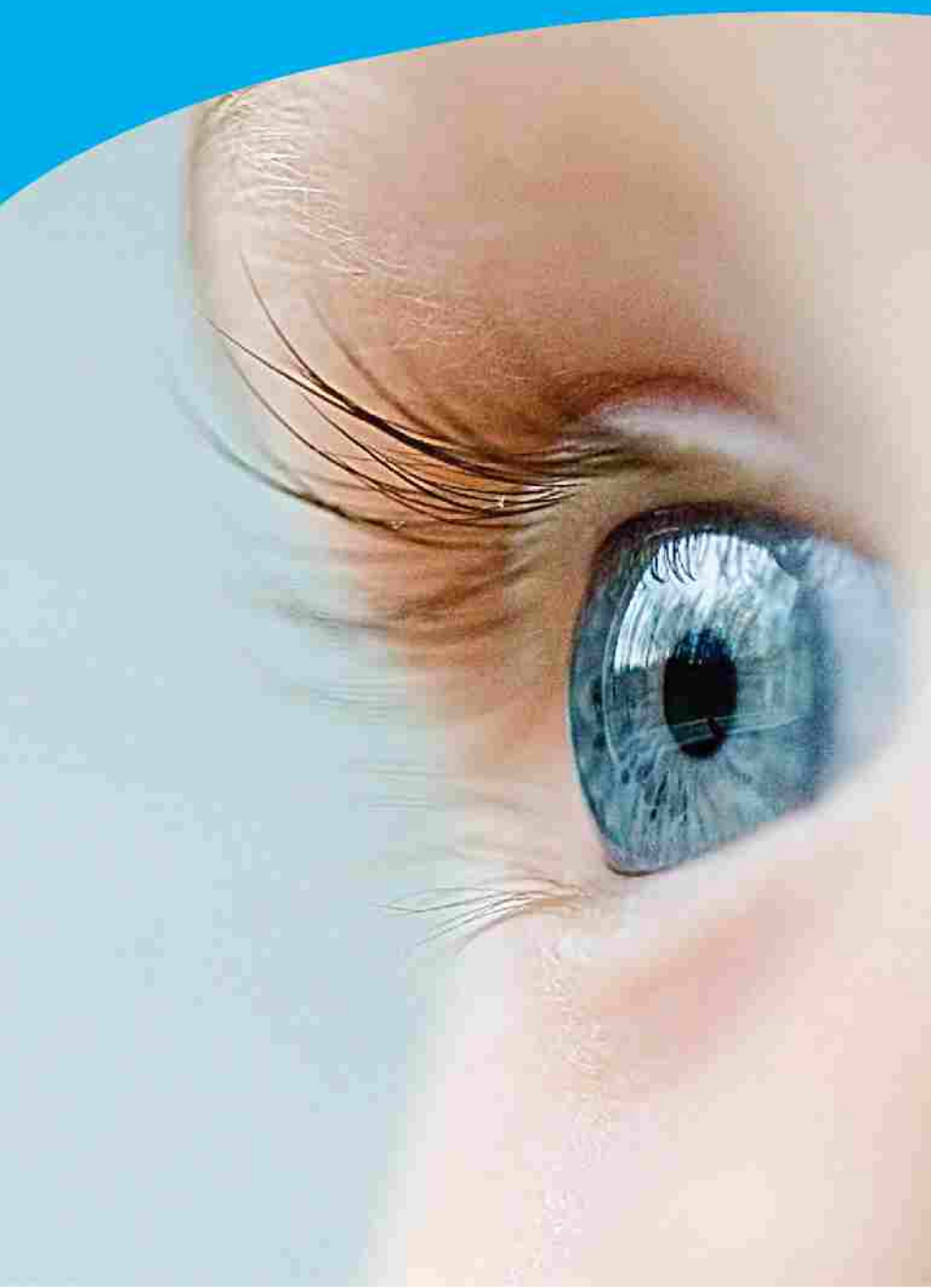


QUARTERLY REPORT 2016
(Oct - Dec 2015)



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COMPANY INFORMATION

Chairman / Chief Executive Officer	• Mujtaba Rahim	
Directors	• Dr S Mubarak Ali • Hans Lourens (Alternate: Zahir Hussain) • M Veqar Arif • Rahat Kaunain Hassan • Roland Waibel • Thomas Winkler	
Company Secretary	• M Veqar Arif	
Management Committee	• Mujtaba Rahim • Qazi Naeemuddin • Zahir Hussain	• M Veqar Arif • Naveed Kamil
Audit Committee	• Dr S Mubarak Ali • Hans Lourens • Rahat Kaunain Hassan • Mirfan Lakhani	- Chairman (Alternate: Zahir Hussain) - Secretary
Human Resources and Remuneration Committee	• Dr S Mubarak Ali • Mujtaba Rahim • Thomas Winkler • Naveed Kamil	- Chairman - Secretary
Bankers	• Faysal Bank Limited • Habib Bank Limited • Meezan Bank Limited • National Bank of Pakistan • Standard Chartered Bank (Pakistan) Limited	
Auditors	• KPMG Taseer Hadi & Co. Chartered Accountants	
Legal Advisors	• RIAA Barker Gillette	
Share Registrars	• FAMCO Associates (Pvt) Limited 8-F, Next to Hotel Faran, Nursery Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi	
Registered Office	• 1-A/1, Sector 20, Korangi Industrial Area, Korangi, Karachi	
Factory	• Petaro Road, Jamshoro	
Sales & Marketing Offices	• Katar Bund Road, Opp. Multan Road, Thokar Niaz Baig, Lahore • Canal Road, Abdullah Pur, Faisalabad • 20-T, Block Masoom Shah Road, Near Multan.	
Website	• www.archroma.com.pk	

/ REPORT OF BOARD OF DIRECTORS

The Directors' are pleased to present their report for the first quarter ended 31 December 2015 together with the un-audited condensed interim financial information of the Company and the Group for the first quarter ended 31 December 2015. The Group results comprises of Archroma Pakistan Limited (ARPL) and Archroma Textiles Chemicals Pakistan (Pvt) Ltd. (ATCPPL) a wholly owned subsidiary of the Company.

MATERIAL INFORMATION

The Board of Directors' in their meeting held on 28 January 2016, has decided to merge the operations of the Company and its subsidiary. The proposed merger will take place once the required approvals are obtained and the related Scheme of Arrangement is sanctioned by the Honorable Sindh High Court.

BUSINESS OVERVIEW

We had a decent start for the year 2016. The Company continue to focus on profitable growth and able to maintain winning streak by overcoming the challenges and smartly capitalizing on opportunities during the period through constructive and proactive approach to achieve extra mile. We reorganized the company with focus on sales, keeping customer and market driven organization. By reinforcing the pillars of our Archroma work culture i.e. ACTS

(Accountability for performance, Customer and market focus, Teamwork and collaboration, Speed and simplicity), we have started operational excellence and also preparing for commercial excellence facilitating continuous improvement program and creating value for our shareholders.

Your company striving hard to further strengthen the market position by having favorable sales growth in the segment of Paper at 22% and Emulsions at 17%.

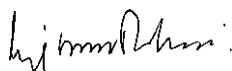
Archroma Textiles Chemicals Pakistan (Pvt) Ltd.

Archroma Textiles Chemicals Pakistan (Pvt) Ltd., a wholly owned subsidiary of Archroma Pakistan Ltd, posted gross sales and gross profit of 664 mio and 273 mio respectively. However, on consolidated basis, the Group earned a gross profit of 866 mio for the quarter.

Future Outlook

Slow down and rebalancing of Chinese economy, lower commodity prices and economic distress in other leading economies and geopolitical situation in the region will continue to pose new challenges, however we are optimistic that our market conditions will get better mainly on account of improving security situation and also availability of energy due to lowering oil prices. We are gearing up to win by continuously challenging the current status quo in deep belief that we can make our industry sustainable.

On behalf of the Board



Mujtaba Rahim
Chairman & Chief Executive Officer

Karachi: 28 January 2016

CONDENSED INTERIMBALANCE SHEET

As at 31 December 2015

	Note	Unaudited 31 December 2015	Audited 30 September 2015
----- (Rupees in '000) -----			
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	920,029	947,505
Investment in subsidiary		1,372,800	1,372,800
Long-term loans and advances		10,474	12,055
Long-term deposits		988	2,939
Long-term prepayments		-	2,184
		<u>2,304,291</u>	<u>2,337,483</u>
Current Assets			
Stores and spares		18,411	19,012
Stock-in-trade		1,566,604	1,380,984
Trade debts		1,814,355	2,148,600
Loans and advances		17,708	11,305
Trade deposits and short-term prepayments		19,704	27,175
Other receivables		1,638,992	1,718,328
Taxation - net		153,781	119,589
Cash and bank balances		458,313	316,085
		<u>5,687,868</u>	<u>5,741,078</u>
Total Assets		<u><u>7,992,159</u></u>	<u><u>8,078,561</u></u>
EQUITY AND LIABILITIES			
Share Capital and reserves			
Authorised share capital			
50,000,000 ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital		341,179	341,179
Revenue reserves		2,983,000	2,983,000
Unappropriated profit		1,346,698	1,119,063
Shareholders' Equity		<u>4,670,877</u>	<u>4,443,242</u>
LIABILITIES			
Non-Current Liabilities			
Deferred tax - net		67,802	67,802
Other long term employee benefits		9,481	9,481
Liabilities against assets subject to finance lease		39,446	37,311
		<u>116,729</u>	<u>114,594</u>
Current Liabilities			
Trade and other payables		1,748,173	1,846,056
Mark-up accrued		20,197	17,803
Short-term borrowings		1,415,334	1,643,426
Current portion of liabilities against assets subject to finance lease		20,849	13,440
Taxation - net		-	-
		<u>3,204,553</u>	<u>3,520,725</u>
Total Liabilities		<u>3,321,282</u>	<u>3,635,319</u>
Contingencies and Commitments	6		
Total Equity and Liabilities		<u><u>7,992,159</u></u>	<u><u>8,078,561</u></u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chairman & Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the Three Months Ended 31 December 2015

	Note	31 December 2015	31 December 2014
		(Rupees '000)	
Sales	8	2,132,253	2,075,882
Discount & Commission	8	124,034	127,766
Sales tax	8	107,112	82,446
		<u>231,146</u>	<u>210,212</u>
Net Sales	8	1,901,107	1,865,670
Cost of goods sold		<u>1,307,330</u>	<u>1,393,488</u>
Gross profit		593,777	472,182
Distribution and marketing expenses		156,698	156,803
Administrative expenses		102,200	62,342
Other operating expenses		21,474	26,205
		<u>280,372</u>	<u>245,350</u>
		313,405	226,832
Other operating income		9,449	7,159
		<u>322,854</u>	<u>233,991</u>
Finance cost / (Income)		30,656	3,495
Profit before taxation		<u>292,198</u>	<u>230,496</u>
Taxation - net		64,563	53,262
Profit after taxation		<u>227,635</u>	<u>177,234</u>
Other comprehensive Income		-	-
Total Comprehensive Income for the Period		<u><u>227,635</u></u>	<u><u>177,234</u></u>
		(Rupees)	
Earnings per share	9.1	<u><u>6.67</u></u>	<u><u>5.19</u></u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chairman & Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

For the Three Months Ended 31 December 2015

	Note	31 DECEMBER	
		2015	2014
		----- (Rupees in '000) -----	
Cash flows from operating activities			
Cash generated from operations	10	509,546	241,276
Staff gratuity paid		(22,227)	(26,631)
Mark-up paid		(17,802)	(29,793)
Income taxes paid		(98,755)	(176,475)
Movement in long-term loans and advances		1,581	3,017
Movement in long-term deposits and prepayments		4,135	72
Net cash generated from operating activities		376,478	11,466
Cash flows from investing activities			
Fixed capital expenditure		(2,139)	(8,829)
Net cash used in investing activities		(2,139)	(8,829)
Cash flows from financing activities			
Payment against finance lease obligations		(3,946)	-
Short-term loans - proceeds		-	130,144
- repayments		-	(125,000)
Dividend paid		(73)	(96)
Net cash used in /generated from financing activities		(4,019)	5,048
Net decrease in cash and cash equivalents		370,320	7,685
Cash and cash equivalents at beginning of the period		(892,341)	39,192
Cash and cash equivalents at end of the period	11	(522,021)	46,877

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chairman & Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the Three Months Ended 31 December 2015

	Issued, subscribed and paid- up capital	Revenue reserves	Unappropri- ated profit	Total shareholders' equity
	(Rupees in '000)			
Balance as at 30 September 2014	341,179	2,803,000	1,034,067	4,178,246
Transfer to revenue reserves appropriated subsequent to year end	-	180,000	(180,000)	-
Final cash dividend for the year ended 30 September 2014 declared subsequent to year end	-	-	(852,947)	(852,947)
Total comprehensive income for the three months ended 31 December 2014	-	-	177,234	177,234
Balance as at 31 December 2014	<u>341,179</u>	<u>2,983,000</u>	<u>178,354</u>	<u>3,502,533</u>
Balance as at 30 September 2015	341,179	2,983,000	1,119,063	4,443,242
Transfer to revenue reserves appropriated subsequent to year end	-	-	-	-
Final cash dividend for the year ended 30 September 2015 declared subsequent to year end	-	-	-	-
Total comprehensive income for the three months ended 31 December 2015	-	-	227,635	227,635
Balance as at 31 December 2015	<u>341,179</u>	<u>2,983,000</u>	<u>1,346,698</u>	<u>4,670,877</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chairman & Chief Executive Officer



IMVeqar Arif
Director & Chief Financial Officer

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2015

1. THE COMPANY AND ITS OPERATIONS

Archroma Pakistan Limited ("the Company") is a limited liability company and is incorporated and domiciled in Pakistan. The address of its registered office is 1-A/1, Sector 20 Korangi Industrial Area, Korangi, Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange (formerly: Karachi Stock Exchange). The Company is a subsidiary of Archroma Textiles S.a.r.l incorporated in Luxembourg, head quartered in Reinach, Switzerland which holds 75% of the share capital of the Company.

The Company is engaged in the manufactures and sells chemicals, dyestuffs and emulsions, mainly for textile, paper, paint and construction industries. It also acts as an indenting agent.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of the International Accounting Standard 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board the requirement of the Companies Ordinance 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where the requirement of the Companies Ordinance, 1984 and the directives issued by the SECP differ with the requirements of IAS 34, requirements of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information should be read in conjunction with the annual financial statements of the company for the year ended 30 September 2015.

3. ACCOUNTING POLICIES

3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in preparation of the published annual financial information of the Company for the year ended 30 September 2015.

4. CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of the Company for the year ended 30 September 2015.

5. PROPERTY, PLANT AND EQUIPMENT

5.1 The following operating assets have been added during the first quarter ended 31 December 2015:

	Building	Plant and machinery	Furniture, fixtures and	Vehicles	Total December 2015	Total December 2014
	(Rupees in '000)					
Additions for the upto 31 December 2015	-	-	6,161	13,490	19,651	8,829
Total	-	-	6,161	13,490	19,651	8,829

5.2 Disposal of property, plant and equipment has been made during the quarter ended 31 December 2015:

	Building	Plant and machinery	Furniture, fixtures and	Vehicles	Total December 2015	Total December 2014
	(Rupees in '000)					
Cost	-	-	1,909	-	1,909	-
Accumulated depreciation	-	-	(1,909)	-	(1,909)	-
Net book value	-	-	-	-	-	-

5.3 No Major addition to Capital work-in-progress during the quarter ended 31 December 2015.

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2015

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 There have been no changes in the contingencies as disclosed in the annual financial statements of the Company for the year ended 30 September 2015.

6.1.2 The Company has provided bank guarantees amounting to Rs. 66.122 million (30 September 2015: Rs. 88.532 million) in favour of third parties.

6.1.3 The Company has provided post dated cheques amounting to Rs. 181.71 million (30 September 2015: 148.88 million) in favour of the collector of customs and which are, in the normal course of business, to be returned to the Company after fulfillment of certain conditions.

6.2 Commitments

6.2.1 Commitments for rentals under operating lease agreements in respect of vehicles and equipment amounted to Rs. 21.482 million (30 September 2015: Rs. 10.760 million) payable as following:

	Unaudited December 31, 2015	Audited September 30, 2015
	----(Rupees in '000)----	
Not later than one year	6,372	4,002
Later than one year but not later than five years	15,110	6,758
	<u>21,482</u>	<u>10,760</u>

6.2.2 Commitments for rentals under operating lease agreement in respect of rented property amounted to Rs. 39.408 million (30 September 2015: Rs. 50.209 million).

	Unaudited December 31, 2015	Audited September 30, 2015
	----(Rupees in '000)----	
Year		
2015-2016	6,677	9,020
2016-2017	9,026	11,625
2017-2018	9,477	6,139
2018-2019	9,683	23,425
2020 and onwards	4,545	-
	<u>39,408</u>	<u>50,209</u>

6.2.3 Commitments for ijarah rentals in respect of ijarah transactions amount to Rs. 79.826 million (30 September 2015: Rs. 36.513 million).

	Unaudited December 31, 2015	Audited September 30, 2015
	----(Rupees in '000)----	
Not later than one year	33,704	20,249
Later than one year but not later than five years	46,122	16,264
	<u>79,826</u>	<u>36,513</u>

6.2.4 Commitments for capital expenditure as at 31 December 2015 aggregated Rs Nil (30 September 2015: Rs Nil).

7. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risk namely credit risk, foreign exchange risk, interest rate risk and liquidity risk. The Company is not exposed to any price risk as it does not hold any investment exposed to price risk. The Company has established adequate to manage these risks.

This condensed interim financial information does not include the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with Company's annual financial statements as at 30 September 2015. There have been no changes in the risk management policies since the year end.

Segment information for the three months ended 31 December 2015

	Unaudited 31 December 2015									
	Textile		Emulsions		Paper		Others*		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Sales										
Local	1,492,948	1,377,624	327,859	279,768	69,972	56,530	47,067	70,731	1,937,846	1,784,658
Export	194,407	290,507	-	-	-	730	-	-	194,407	290,227
Total sales	1,687,355	1,668,133	327,859	279,768	69,972	57,260	47,067	70,731	2,132,253	2,075,885
Discount & commission	119,850	122,501	4,184	5,265	-	-	-	-	124,034	127,764
Sales tax	46,827	32,634	50,105	41,597	10,180	8,215	-	-	107,112	82,446
	166,677	155,135	54,289	46,862	10,180	8,215	-	-	211,146	210,212
Net sales (from external customers)	1,520,678	1,512,998	273,570	232,906	59,792	49,035	47,067	70,731	1,901,107	1,865,676
Segment results based on management approach ¹										
	275,479	201,199	46,792	38,303	20,795	13,100	-	-	343,066	252,402
Other operating expenses - WPPF & WWF									(19,500)	(17,500)
Assets charged to profit and loss for internal reporting purposes based on group guidelines									(712)	(1,111)
Operating profit									322,854	233,991
Finance costs									30,656	3,495
Profit before taxation									292,198	230,496
Fixed Capital Expenditure	1,986	8,581	45	25	-	-	-	-	2,031	8,606
Unallocated									105	223
									21,39	8,829
Depreciation / Amortisation	41,314	34,605	5	6	2	4	-	-	41,321	34,615
Unallocated									1,784	609
									43,105	35,224
Segment Assets	4,465,166	5,141,106	506,379	475,689	56,284	52,096	-	-	5,027,829	5,668,891
Unallocated									2,964,330	2,409,670
Total Assets									7,992,159	8,078,561
Segment Liabilities	1,097,284	1,198,416	117,720	126,448	13,768	16,222	-	-	1,228,772	1,341,086
Unallocated									2,092,510	2,294,233
Total Liabilities									3,321,282	3,635,319

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2015

	Three months Ended 31 December	
	2015	2014
9. EARNINGS PER SHARE		
	(Rupees 000)	
9.1 Basic		
Profit after taxation attributable to ordinary shareholders	<u>227,635</u>	<u>177,234</u>
	Number of shares	
Weighted average number of ordinary shares outstanding during the period	<u>34,117,881</u>	<u>34,117,881</u>
	(Rupees)	
Earning per share	<u>6.67</u>	<u>5.19</u>

9.2 Diluted

There were no convertible dilutive potential ordinary shares in issue as at 31 December 2015 and 2014.

	Note	Three months Ended 31 December	
		2015	2014
		----- (Rupees in '000) -----	
10. CASH GENERATED FROM OPERATIONS			
Profit before taxation		292,198	230,496
Adjustment for non-cash charges and other items:			
Depreciation / amortisation		43,105	35,224
Provision for staff gratuity		3,906	10,569
Mark-up expense		20,196	19,349
Provision for impairment of trade receivables		-	8,015
Working capital changes	10.1	<u>150,141</u>	<u>(62,377)</u>
		<u>509,546</u>	<u>241,276</u>
10.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		601	2,972
Stock-in-trade		(185,620)	(252,895)
Trade debts		334,245	60,217
Loans and advances		(6,403)	4,655
Trade deposits and short-term prepayments		7,471	(5,663)
Other receivables		<u>97,657</u>	<u>(46,214)</u>
		247,951	(236,928)
Increase in current liabilities			
Trade and other payables-net		<u>(97,810)</u>	<u>174,551</u>
		<u>150,141</u>	<u>(62,377)</u>

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2015

Three months Ended 31 December	
2015	2014
----- (Rupees in '000) -----	

11. CASH AND CASH EQUIVALENT

Cash and bank balances	458,313	352,023
Short-term running finance	(980,334)	(305,146)
Cash and Cash Equivalents at end of the period	<u>(522,021)</u>	<u>46,877</u>

12. TRANSACTIONS WITH RELATED PARTIES

Parent Company Three months Ended 31 December	
2015	2014
----- (Rupees in '000) -----	

Purchases of goods and machinery	-	-
Export commission expense	-	-
Dividend Paid	-	-

Other Related Parties Three months Ended 31 December	
2015	2014
----- (Rupees in '000) -----	

Sales	111,781	127,783
Purchases of goods and machinery	116,306	184,637
Indenting commission income	352	2,314
Export commission expense	3,882	7,920
Royalty expenses	3,201	2,745
Other charges	31,476	-

Key management personnel:		
- Salaries benefits and compensations	22,287	21,053
- Post employment benefits	3,235	3,017

13. CORRESPONDING FIGURES

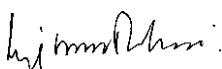
Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison.

14. DATE OF AUTHORISATION

These financial statements were authorised for issue on 28 January 2016 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off to the nearest thousand rupees.



Mujtaba Rahim
Chairman & Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

CONDENSED INTERIMCONSOLIDATED
FINANCIAL INFORMATION

ARCHROMA PAKISTAN LIMITED
and its Subsidiary Company

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

As at 31 December 2015

	Note	Unaudited 31 December 2015	Audited 30 September 2015
----- (Rupees in '000) -----			
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	1,910,298	1,934,400
Intangible assets		-	-
Long-term loans and advances		12,502	14,187
Long-term deposits		3,051	4,796
Long-term prepayments		-	2,184
		<u>1,925,851</u>	<u>1,955,567</u>
Current Assets			
Stores and spares		43,589	38,580
Stock-in-trade		1,941,610	1,709,874
Trade debts		2,478,741	2,733,375
Loans and advances		20,715	16,294
Trade deposits and short-term prepayments		61,539	68,399
Other receivables		2,044,034	2,105,510
Taxation - net		107,177	92,312
Cash and bank balances		478,258	351,554
		<u>7,175,663</u>	<u>7,115,898</u>
Total Assets		<u>9,101,514</u>	<u>9,071,465</u>
EQUITY AND LIABILITIES			
Share Capital and reserves			
Authorised share capital			
50,000,000 ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital		341,179	341,179
Revenue reserves		2,983,000	2,983,000
Unappropriated profit		1,635,061	1,308,729
		<u>4,959,240</u>	<u>4,632,908</u>
LIABILITIES			
Non-Current Liabilities			
Deferred tax - net		245,919	263,349
Other long term employee benefits		9,481	9,481
Liabilities against assets subject to finance lease		39,446	37,311
		<u>294,846</u>	<u>310,141</u>
Current Liabilities			
Trade and other payables		2,365,782	2,396,764
Mark-up accrued		20,492	19,472
Short-term borrowings		1,440,305	1,698,740
Current portion of liabilities against assets subject to finance lease		20,849	13,440
Taxation - net		-	-
		<u>3,847,428</u>	<u>4,128,416</u>
Total Liabilities		<u>4,142,274</u>	<u>4,438,557</u>
Contingencies and Commitments	6		
Total Equity and Liabilities		<u>9,101,514</u>	<u>9,071,465</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chairman & Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

Karachi: 28 January 2016

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the Three Months Ended 31 December 2015

	Note	31 December 2015	31 December 2014
		(Rupees '000)	
Sales	8	2,793,183	2,075,882
Discount & Commission	8	132,921	127,766
Sales tax	8	124,623	82,446
		<u>257,544</u>	<u>210,212</u>
Net Sales	8	2,535,639	1,865,670
Cost of goods sold		<u>1,669,687</u>	<u>1,393,488</u>
Gross profit		865,952	472,182
Distribution and marketing expenses		221,988	156,803
Administrative expenses		111,899	62,342
Other operating expenses		42,683	26,205
		<u>376,570</u>	<u>245,350</u>
		489,382	226,832
Other operating income		28,265	7,159
		<u>517,647</u>	<u>233,991</u>
Finance cost / (Income)		31,889	3,495
Profit before taxation		<u>485,758</u>	<u>230,496</u>
Taxation - net		159,426	53,262
Profit after taxation		<u>326,332</u>	<u>177,234</u>
Other comprehensive Income		-	-
Total Comprehensive Income for the Period		<u>326,332</u>	<u>177,234</u>
		(Rupees)	
Earnings per share	9.1	<u>9.56</u>	<u>5.19</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chairman & Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the Three Months Ended 31 December 2015

	Note	31 DECEMBER	
		2015	2014
		----- (Rupees in '000) -----	
Cash flows from operating activities			
Cash generated from operations	10	634,742	241,276
Staff gratuity paid		(14,736)	(26,631)
Mark-up paid		(19,484)	(29,793)
Income taxes paid		(191,721)	(176,475)
Movement in long-term loans and advances		1,685	3,017
Movement in long-term deposits and prepayments		3,929	72
Net cash generated from operating activities		414,415	11,466
Cash flows from investing activities			
Fixed capital expenditure		(25,257)	(8,829)
Net cash used in investing activities		(25,257)	(8,829)
Cash flows from financing activities			
Payment against finance lease obligations		(3,946)	-
Short-term loans - proceeds		-	130,144
- repayments		-	(125,000)
Dividend paid		(73)	(96)
Net cash used in / generated from financing activities		(4,019)	5,048
Net decrease in cash and cash equivalents		385,139	7,685
Cash and cash equivalents at beginning of the period		(912,186)	39,192
Cash and cash equivalents at end of the period	11	(527,047)	46,877

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chairman & Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the Three Months Ended 31 December 2015

	Issued, subscribed and paid- up capital	Revenue reserves	Unappropri- ated profit	Total shareholders' equity
	(Rupees in '000)			
Balance as at 30 September 2014	341,179	2,803,000	1,034,067	4,178,246
Transfer to revenue reserves appropriated subsequent to year end	-	180,000	(180,000)	-
Final cash dividend for the year ended 30 September 2014 declared subsequent to year end	-	-	(852,947)	(852,947)
Total comprehensive income for the three months ended 31 December 2014	-	-	177,234	177,234
Balance as at 31 December 2014	<u>341,179</u>	<u>2,983,000</u>	<u>178,354</u>	<u>3,502,533</u>
Balance as at 30 September 2015	341,179	2,983,000	1,308,729	4,632,908
Transfer to revenue reserves appropriated subsequent to year end	-	-	-	-
Final cash dividend for the year ended 30 September 2015 declared subsequent to year end	-	-	-	-
Total comprehensive income for the three months ended 31 December 2015	-	-	326,332	326,332
Balance as at 31 December 2015	<u>341,179</u>	<u>2,983,000</u>	<u>1,635,061</u>	<u>4,959,240</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chairman & Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2015

1. THE COMPANY AND ITS OPERATIONS

Archroma Pakistan Limited, (ARPL) ("the Parent Company") is a limited liability company and is incorporated and domiciled in Pakistan. The address of its registered office is 1-A/1, Sector 20 Korangi Industrial Area, Korangi, Karachi, Pakistan. The Parent Company is listed on the Pakistan Stock Exchange (formerly: Karachi Stock Exchange). The Parent Company is a subsidiary of Archroma Textiles S.a.r.l (Ultimate Parent Company), incorporated in Luxembourg, head quartered in Reinach, Switzerland which holds 75% of the share capital of the Company.

The Parent Company is engaged in the manufactures and sells chemicals, dyestuffs and emulsions, mainly for textile, paper, paint and construction industries. It also acts as an indenting agent.

1.1 STATUS AND NATURE OF BUSINESS

The Group consists of:

- i) Archroma Pakistan Limited (the 'Parent Company')
- ii) Archroma Textiles Chemicals Pakistan (Private) Limited (the 'Subsidiary')

2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial information have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of the International Accounting Standard 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board the requirement of the Companies Ordinance 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where the requirement of the Companies Ordinance, 1984 and the directives issued by the SECP differ with the requirements of IAS 34, requirements of or directives issued under the Companies Ordinance, 1984 have been followed.

2.1 BASIS OF CONSOLIDATION:

The consolidated financial statements include the financial statements of Archroma Pakistan Limited and Archroma Textiles Chemicals Pakistan (Private) Limited. The financial statements of the subsidiary company have been consolidated on line by line basis. All intercompany balances and transactions have been eliminated.

This condensed interim consolidated financial information should be read in conjunction with the annual consolidated financial statements of the company for the year ended 30 September 2015.

3. ACCOUNTING POLICIES

- 3.1 The accounting policies adopted in the preparation of this condensed interim consolidated financial information are consistent with those applied in preparation of the published annual consolidated financial information of the Company for the year ended 30 September 2015.

4. CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS

The preparation of interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim consolidated financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements of the Company for the year ended 30 September 2015.

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2015

5. PROPERTY, PLANT AND EQUIPMENT

5.1 The following operating assets have been added during the quarter ended 31 December 2015:

	Building	Plant and machinery	Furniture, fixtures and	Vehicles	Total December 2015	Total December 2014
	(Rupees in '000)					
Additions for the upto 31 December 2015	3,232	-	7,756	17,419	28,407	8,829
Total	<u>3,232</u>	<u>-</u>	<u>7,756</u>	<u>17,419</u>	<u>28,407</u>	<u>8,829</u>

5.2 Disposal / deletion of property, plant and equipment has been made during the quarter ended 31 December 2015:

	Building	Plant and machinery	Furniture, fixtures and	Vehicles	Total December 2015	Total December 2014
	(Rupees in '000)					
Cost	-	1,219	15,004	405	16,628	-
Accumulated depreciation	-	(1,219)	(14,985)	(405)	(16,609)	-
Net book value	<u>-</u>	<u>-</u>	<u>19</u>	<u>-</u>	<u>19</u>	<u>-</u>

5.3 No major addition to Capital work-in-progress during the quarter ended 31 December 2015.

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 There have been no changes in the contingencies as disclosed in the annual consolidated financial statements of the Company for the year ended 30 September 2015.

6.1.2 The Parent Company has provided bank guarantees amounting to Rs. 66.122 million (30 September 2015: Rs. 88.532 million) in favour of third parties.

6.1.3 The Parent Company has provided post dated cheques amounting to Rs. 181.71 million (30 September 2015: 148.88 million) in favour of the collector of customs and which are, in the normal course of business, to be returned to the Company after fulfillment of certain conditions.

6.2 Commitments

Parent Company

6.2.1 Commitments for rentals under operating lease agreements in respect of vehicles and equipment amounted to Rs 21.482 million (30 September 2015: Rs 10.760 million) payable as following:

	Unaudited December 31, 2015	Audited September 30, 2015
	----(Rupees in '000)----	
Not later than one year	6,372	4,002
Later than one year but not later than five years	<u>15,110</u>	<u>6,758</u>
	<u>21,482</u>	<u>10,760</u>

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2015

6.2.2 Commitments for rentals under operating lease agreement in respect of rented property amounted to Rs. 39,408 million (30 September 2015: Rs. 50,209 million)

	Unaudited December 31, 2015	Audited September 30, 2015
	----(Rupees in '000)----	
Year		
2015-2016	6,677	9,020
2016-2017	9,026	11,625
2017-2018	9,477	6,139
2018-2019	9,683	23,425
2020 and onwards	4,545	-
	<u>39,408</u>	<u>50,209</u>

6.2.3 Commitments for ijarah rentals in respect of ijarah transactions amount to Rs 79,826 million (30 September 2015: Rs. 36,513 million).

	Unaudited December 31, 2015	Audited September 30, 2015
	----(Rupees in '000)----	
Not later than one year	33,704	20,249
Later than one year but not later than five years	46,122	16,264
	<u>79,826</u>	<u>36,513</u>

6.2.4 Commitments for capital expenditure as at 31 December 2015 aggregated Rs Nil (30 September 2015: Rs Nil).

Subsidiary Company

6.2.5 Outstanding commitments under letters of credit amounting to Rs. 127.374 million (30 September 2015: Rs 37.129 million)

7. FINANCIAL RISK MANAGEMENT

The Parent Company's activities are exposed to a variety of financial risk namely credit risk, foreign exchange risk, interest rate risk and liquidity risk. The Parent Company is not exposed to any price risk as it does not hold any investment exposed to price risk. The Parent Company has established adequate to manage these risks.

This condensed interim consolidated financial information does not include the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with Company's annual consolidated financial statements as at 30 September 2015. There have been no changes in the risk management policies since the year end.

Segment Information

Segment Information for the three months ended 31 March 2014

Sales	100
Local	60
Export	40
Total sales	140
Discount & commission	(10)
Sales tax	(10)
Net sales (from external customers)	120

Segment Assets
Unallocated
Total Assets

Segment Liabilities
Unallocated
Total Liabilities

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2015

		Three months Ended 31 December	
		2015	2014
9.	EARNINGS PER SHARE		
9.1	Basic	(Rupees 000)	
	Profit after taxation attributable to ordinary shareholders	<u>326,332</u>	<u>177,234</u>
	Number of shares		
	Weighted average number of ordinary shares outstanding during the period	<u>34,117,881</u>	<u>34,117,881</u>
		(Rupees)	
	Earning per share	<u>9.56</u>	<u>5.19</u>

9.2 Diluted

There were no convertible dilutive potential ordinary shares in issue as at 31 December 2015 and 2014.

		Note	Three months Ended 31 December	
			2015	2014
			----- (Rupees in '000) -----	
10.	CASH GENERATED FROM OPERATIONS			
	Profit before taxation		485,758	230,496
	Adjustment for non-cash charges and other items:			
	Depreciation / amortisation		62,849	35,224
	Provision for staff gratuity		5,363	10,569
	Mark-up expense		20,504	19,349
	Provision for impairment of trade receivables		-	8,015
	Working capital changes	10.1	<u>60,268</u>	<u>(62,377)</u>
			<u>634,742</u>	<u>241,276</u>

10.1 Working capital changes

(Increase) / decrease in current assets				
	Stores and spares		(5,009)	2,972
	Stock-in-trade		(231,736)	(252,895)
	Trade debts		254,634	60,217
	Loans and advances		(4,421)	4,655
	Trade deposits and short-term prepayments		6,860	(5,663)
	Other receivables		<u>79,797</u>	<u>(46,214)</u>
			100,125	(236,928)
Increase in current liabilities				
	Trade and other payables-net		<u>(39,857)</u>	<u>174,551</u>
			<u>60,268</u>	<u>(62,377)</u>

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2015

Three months Ended 31 December	
2015	2014
----- (Rupees in '000) -----	

11. CASH AND CASH EQUIVALENT

Cash and bank balances	478,258	352,023
Short-term running finance	(1,005,305)	(305,146)
Cash and Cash Equivalents at end of the period	<u>(527,047)</u>	<u>46,877</u>

12. TRANSACTIONS WITH RELATED PARTIES

Parent Company Three months Ended 31 December	
2015	2014
----- (Rupees in '000) -----	

Sales	2,040	-
Purchases of goods and machinery	570	-

Other Related Parties Three months Ended 31 December	
2015	2014
----- (Rupees in '000) -----	

Sales	116,695	127,783
Purchases of goods and machinery	143,476	184,637
Indenting commission income	352	2,314
Export commission expense	3,882	7,920
Royalty expenses	3,201	2,745
Other charges	31,476	-
Key management personnel:		
- Salaries benefits and compensations	39,608	21,053
- Post employment benefits	6,441	3,017

13. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison.

14. DATE OF AUTHORISATION

These financial statements were authorised for issue on 28 January 2016 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off to the nearest thousand rupees.



Mujtaba Rahim
Chairman & Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

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